

**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
AKRON CARNEGIE PUBLIC LIBRARY  
FULTON COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
03/02/2009



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#### OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Velma Bright	01-01-07 to 12-31-09
Treasurer	Chad Hartzler	01-01-07 to 12-31-09
President of the Board	Jill Runkle	01-01-07 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE AKRON CARNEGIE PUBLIC LIBRARY, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Akron Carnegie Public Library (Library), for the period of January 1, 2007 to December 31, 2008. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 4, 2009

AKRON CARNEGIE PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 156,501	\$ 164,530	\$ 140,266	\$ 180,765
Gift	2,826	3,034	1,400	4,460
State Tech	-	3,600	3,145	455
Rainy Day	3,232	-	-	3,232
Library Improvement Reserve	10,223	100	-	10,323
Library Capital Projects	7,419	10,437	7,309	10,547
Building Fund - Gift	42,859	3,687	56	46,490
Debt Service	62,296	105,506	118,000	49,802
Fiduciary Funds:				
Payroll Withholdings	-	20,874	20,874	-
Marine Trust	4,500	-	-	4,500
PLAC	-	30	30	-
Totals	<u>\$ 289,856</u>	<u>\$ 311,798</u>	<u>\$ 291,080</u>	<u>\$ 310,574</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 180,765	\$ 139,855	\$ 150,841	\$ 169,779
Gift	4,460	2,002	3,329	3,133
State Tech	455	5,400	2,856	2,999
Rainy Day	3,232	-	-	3,232
Library Improvement Reserve	10,323	31	-	10,354
Library Capital Projects	10,547	7,526	13,947	4,126
Building Fund - Gift	46,490	3,390	21	49,859
Debt Service	49,802	88,047	119,000	18,849
Fiduciary Funds:				
Payroll Withholdings	-	22,702	22,702	-
Marine Trust	4,500	-	-	4,500
PLAC	-	90	90	-
Totals	<u>\$ 310,574</u>	<u>\$ 269,043</u>	<u>\$ 312,786</u>	<u>\$ 266,831</u>

The accompanying notes are an integral part of the financial information.

AKRON CARNEGIE PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

AKRON CARNEGIE PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.



AKRON CARNEGIE PUBLIC LIBRARY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund							
Actuarial Valuation Date	Actuarial Value Of Assets	Actuarial Accrued Liability - AAL	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL As A % Of Covered Payroll	
07-01-03	\$ 343,281	\$ 373,383	\$ (30,102)	92%	\$ 370,471	(8%)	
07-01-04	347,136	427,657	(80,521)	81%	383,597	(21%)	
07-01-05	364,792	540,571	(175,779)	67%	422,906	(42%)	

AKRON CARNEGIE PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 18,100
Buildings	213,400
Machinery and equipment	<u>844,592</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,076,092</u>

AKRON CARNEGIE PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
For The Year Ended December 31, 2008

The Library has entered into the following debt:

Description of Asset	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Akron Public Library Building Corporation	\$ 1,205,000	\$ 121,500

AKRON CARNEGIE PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The Debt Service Fund expenditures were in excess of budgeted appropriations for 2008.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

AKRON CARNEGIE PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2009, with Velma Bright, Director. The official concurred with our finding.